

# Senate File 566 - Enrolled

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SENATE FILE 566

AN ACT

RELATING TO HISTORIC PRESERVATION AND CULTURAL AND  
ENTERTAINMENT DISTRICT TAX CREDITS, AND PROVIDING  
APPLICABILITY DATE PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 404A.1, subsection 1, Code 2007, is  
amended to read as follows:

1. A historic preservation and cultural and entertainment  
district tax credit, subject to the availability of the  
credit, is granted against the tax imposed under chapter 422,  
division II, III, or V, or chapter 432, for the rehabilitation  
of eligible property located in this state as provided in this  
chapter. Tax credits in excess of tax liabilities shall be  
refunded or credited as provided in section 404A.4, subsection  
3.

Sec. 2. Section 404A.4, subsection 3, Code 2007, is  
amended to read as follows:

3. A person receiving a historic preservation and cultural  
and entertainment district tax credit under this chapter which  
is in excess of the person's tax liability for the tax year is  
entitled to a refund of the excess at a discounted value. ~~The~~  
~~discounted value of the tax credit refund, as calculated by~~  
~~the department of economic development, in consultation with~~  
~~the department of revenue, shall be determined based on the~~  
~~discounted value of the tax credit five years after the tax~~  
~~year of the project completion at an interest rate equivalent~~  
~~to the prime rate plus two percent. The refunded tax credit~~  
~~shall not exceed seventy-five percent of the allowable tax~~  
~~credit. Any credit in excess of the tax liability shall be~~  
~~refunded with interest computed under section 422.25. In lieu~~  
~~of claiming a refund, a taxpayer may elect to have the~~  
~~overpayment shown on the taxpayer's final, completed return~~  
~~credited to the tax liability for the following year.~~

Sec. 3. Section 404A.4, subsection 4, Code 2007, is  
amended to read as follows:

4. The total amount of tax credits that may be approved  
for a fiscal year under this chapter shall not exceed ~~two ten~~  
~~million four hundred thousand dollars in the fiscal year~~  
~~beginning July 1, 2007, fifteen million dollars in the fiscal~~  
~~year beginning July 1, 2008, and twenty million dollars in the~~  
~~fiscal year beginning July 1, 2009, and each fiscal year~~  
~~thereafter. For the fiscal period beginning July 1, 2005, and~~  
~~ending June 30, 2015, an additional four million dollars of~~  
~~tax credits may be approved each fiscal year for purposes of~~  
~~projects located in cultural and entertainment districts~~  
~~certified pursuant to section 303.3B. Of the tax credits~~  
~~approved for a fiscal year under this chapter, ten percent of~~  
~~the dollar amount of tax credits shall be allocated for~~  
~~purposes of new projects with qualified costs of five hundred~~  
~~thousand dollars or less, and forty percent of the dollar~~  
~~amount of tax credits shall be allocated for purposes of new~~  
~~projects located in cultural and entertainment districts~~  
~~certified pursuant to section 303.3B or identified in Iowa~~  
~~great places agreements developed pursuant to section 303.3C.~~  
~~Any of the additional tax credits allocated for projects~~  
~~located in certified cultural and entertainment districts or~~  
~~identified in Iowa great places agreements and for projects~~  
~~with a cost of five hundred thousand dollars or less that are~~  
~~not approved reserved during a fiscal year shall be applied to~~  
~~reserved tax credits issued in accordance with section 404A.3~~  
~~in order of original reservation. The department of cultural~~  
~~affairs shall establish by rule the procedures for the~~  
~~application, review, selection, and awarding of certifications~~  
~~of completion. The departments of economic development,~~  
~~cultural affairs, and revenue shall each adopt rules to~~  
~~jointly administer this subsection and shall provide by rule~~  
~~for the method to be used to determine for which fiscal year~~  
~~the tax credits are available. With the exception of tax~~  
~~credits issued pursuant to contracts entered into prior to~~

3 4 July 1, 2005 2007, tax credits shall not be reserved for more  
3 5 than ~~five~~ three years.

3 6 Sec. 4. Section 422.11D, subsection 1, Code 2007, is  
3 7 amended to read as follows:

3 8 1. The taxes imposed under this division, less the credits  
3 9 allowed under sections 422.12 and 422.12B, shall be reduced by  
3 10 a historic preservation and cultural and entertainment  
3 11 district tax credit equal to the amount as computed under  
3 12 chapter 404A for rehabilitating eligible property. Any credit  
3 13 in excess of the tax liability shall be refunded or credited  
3 14 to the following year, as provided in section 404A.4,

3 15 subsection 3.

3 16 Sec. 5. Section 422.33, subsection 10, paragraph a, Code  
3 17 2007, is amended to read as follows:

3 18 a. The taxes imposed under this division shall be reduced  
3 19 by a historic preservation and cultural and entertainment  
3 20 district tax credit equal to the amount as computed under  
3 21 chapter 404A for rehabilitating eligible property. Any credit  
3 22 in excess of the tax liability shall be refunded or credited  
3 23 to the following year, as provided in section 404A.4,

3 24 subsection 3.

3 25 Sec. 6. Section 422.60, subsection 4, paragraph a, Code  
3 26 2007, is amended to read as follows:

3 27 a. The taxes imposed under this division shall be reduced  
3 28 by a historic preservation and cultural and entertainment  
3 29 district tax credit equal to the amount as computed under  
3 30 chapter 404A for rehabilitating eligible property. Any credit  
3 31 in excess of the tax liability shall be refunded or credited  
3 32 to the following year, as provided in section 404A.4,

3 33 subsection 3.

3 34 Sec. 7. Section 432.12A, subsection 1, Code 2007, is  
3 35 amended to read as follows:

4 1 1. The tax imposed under this chapter shall be reduced by  
4 2 a historic preservation and cultural and entertainment  
4 3 district tax credit equal to the amount as computed under  
4 4 chapter 404A for rehabilitating eligible property. Any credit  
4 5 in excess of the tax liability shall be refunded or credited  
4 6 to the following year, as provided in section 404A.4,

4 7 subsection 3.

4 8 Sec. 8. TAX CREDIT CERTIFICATES == RESERVATION DATES.

4 9 1. The department of cultural affairs shall reissue  
4 10 historic preservation and cultural and entertainment district  
4 11 tax credit certificates held by the original tax credit  
4 12 certificate recipient. Tax credit certificates with a  
4 13 redemption date in the year 2010 shall be reissued with a  
4 14 redemption date of 2009. Tax credit certificates with a  
4 15 redemption date in the year 2011 shall be reissued with a  
4 16 redemption date of 2010. Tax credit certificates with a  
4 17 redemption date in the years 2012, 2013, 2014, 2015, 2016, or  
4 18 2017 shall be issued with a redemption date of 2011. Tax  
4 19 credit certificates that have been sold since issuance shall  
4 20 not be reissued pursuant to this subsection.

4 21 2. In the order of original reservation dates, the  
4 22 department of cultural affairs shall modify the reservation  
4 23 date of reserved historic preservation and cultural and  
4 24 entertainment district tax credits based on the availability  
4 25 of additional moneys for tax credits under this bill.

4 26 Sec. 9. APPLICABILITY. This Act applies to historic  
4 27 preservation and cultural and entertainment district tax  
4 28 credits applied for or reserved prior to July 1, 2007.

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JOHN P. KIBBIE  
President of the Senate

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PATRICK J. MURPHY  
Speaker of the House

5 5 I hereby certify that this bill originated in the Senate and  
5 6 is known as Senate File 566, Eighty-second General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

5 10 Approved \_\_\_\_\_, 2007

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5 15 \_\_\_\_\_  
5 16 CHESTER J. CULVER  
5 17 Governor